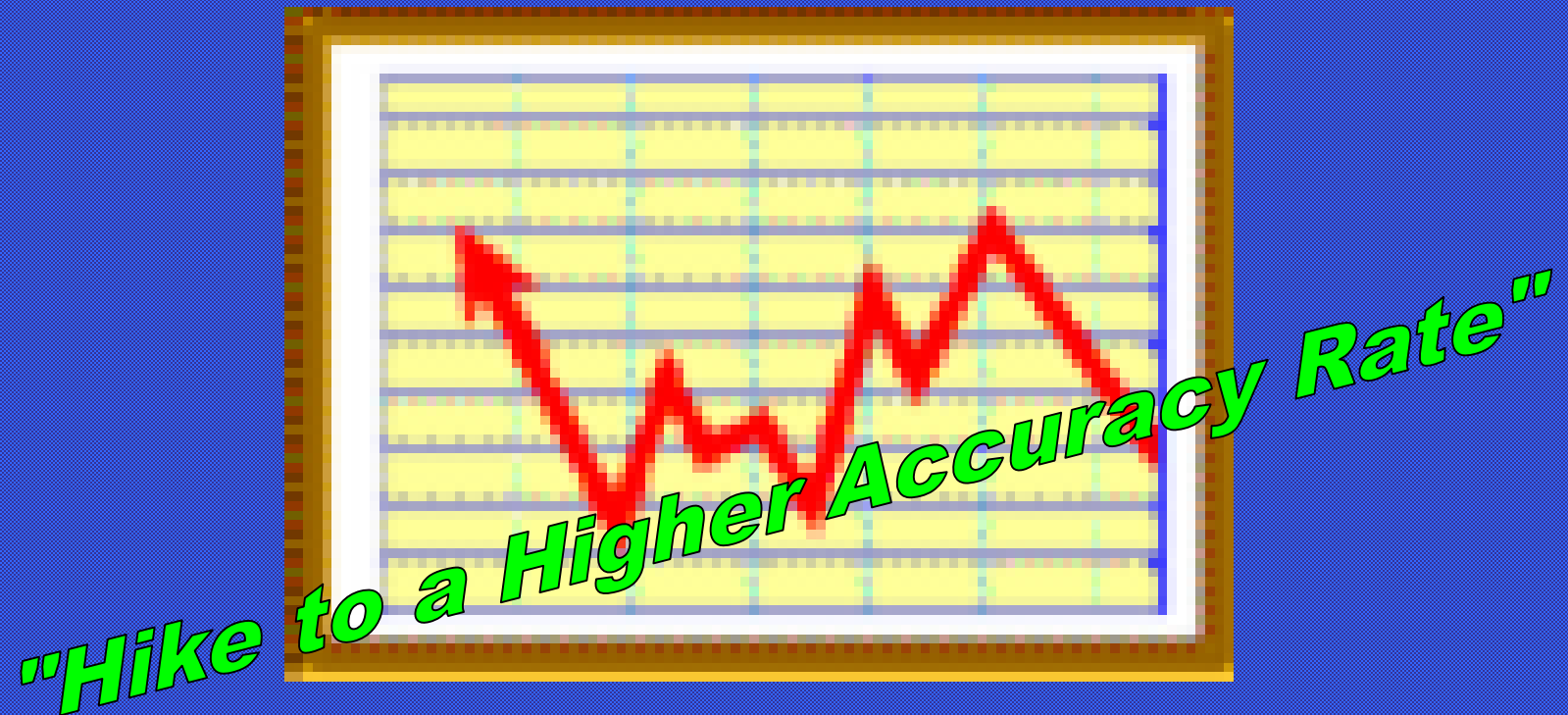


Food Stamp Program Quality Control



Northern Counties Corrective
Action Conference

September 2007

Some Topics To Be Covered

- What is QC?
- Why do we do QC?
- How does QC determine if a case is correct or in error?
- What is your role in keeping the error rate low?

Why Do We Do QC?

- The federal Food Stamp Program is intended to help low-income individuals and families obtain a more nutritious diet by supplementing their income with benefits to purchase food.
- The Food Stamp Program requires states to engage in activities which measure the accuracy of benefits paid as well as the eligibility decisions to deny or terminate benefits.
- This activity ensures that the right households are participating and receiving the right amount of benefits.

Why Do We Do QC?

- Required by Federal Law –
The Food Stamp Act of 1977 as amended.
- The requirement was recently reinforced
by the Improper Payment Improvement
Act of 2002 (IPIA)

What Is QC?

- It a systematic method of measuring the validity of the Food Stamp Case;
- A basis for determining error rates;
- A timely, continuous flow of information on which to base correction at all levels of administration;
- A basis for establishing eligibility for enhanced funding or liability for excessive error rates (Sanctions).

What Is QC?

- QC reviews monthly a statistical sample of households for the accuracy of the eligibility and benefit decisions on open food stamp cases.
- These reviews comprise the “Active” sample.

What is QC

- Eligibility decisions to deny food stamp applications or to close an open case are also reviewed.
- These reviews comprise the “Negative” sample.

FNS Handbook 310

- This handbook provides procedures for conducting QC reviews of food stamp cases.



FNS Handbook 310

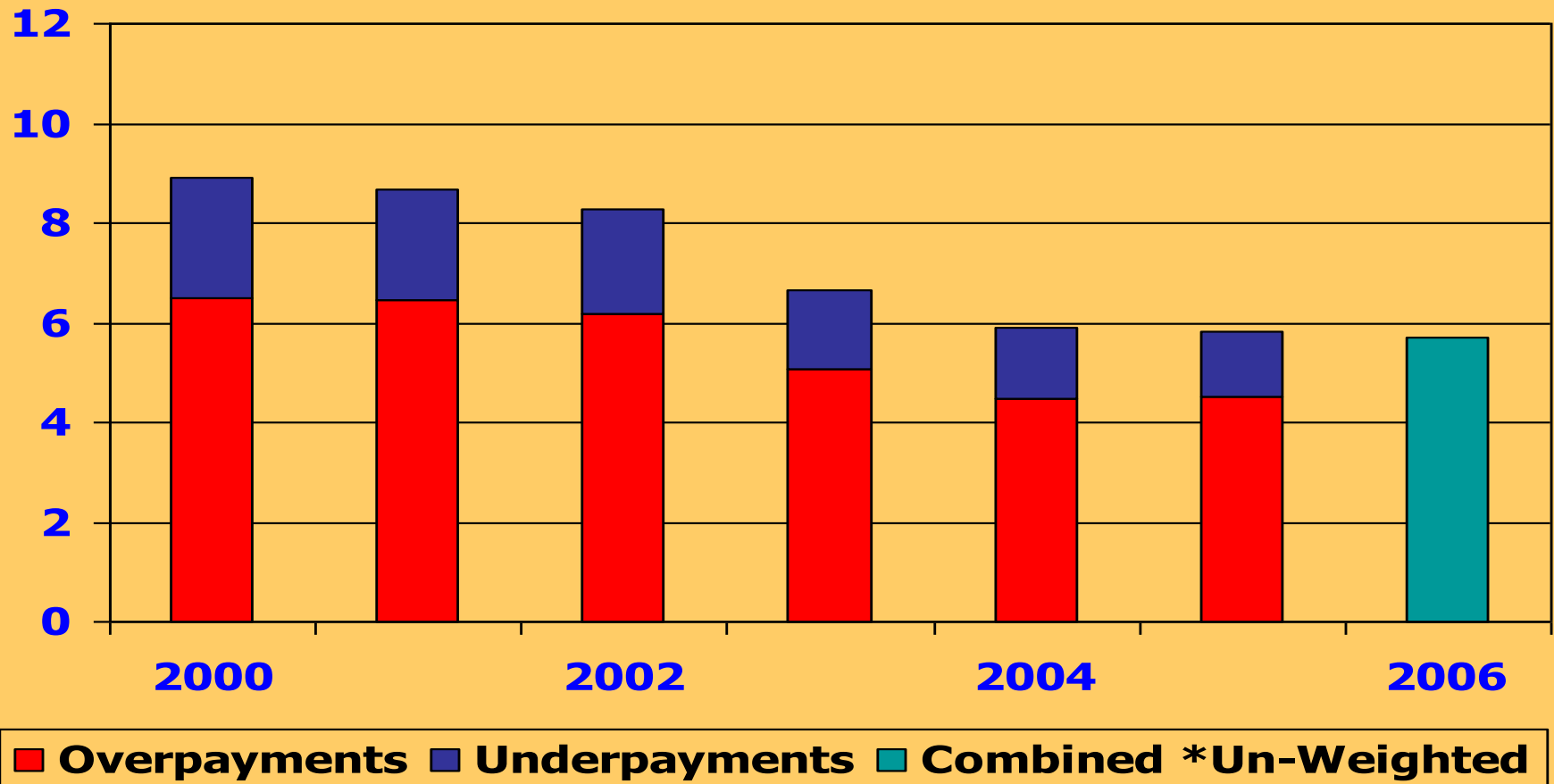
- Describes the QC review steps such as –
- Determining the correct eligibility and budgeting system.
- Determining the correct reporting system
- Reviewing the case record.
- Conducting a field review.
- Determining the variances to include
- Determining the correct amount of benefits
- Determining the cause of errors.

What Is An Error Rate?

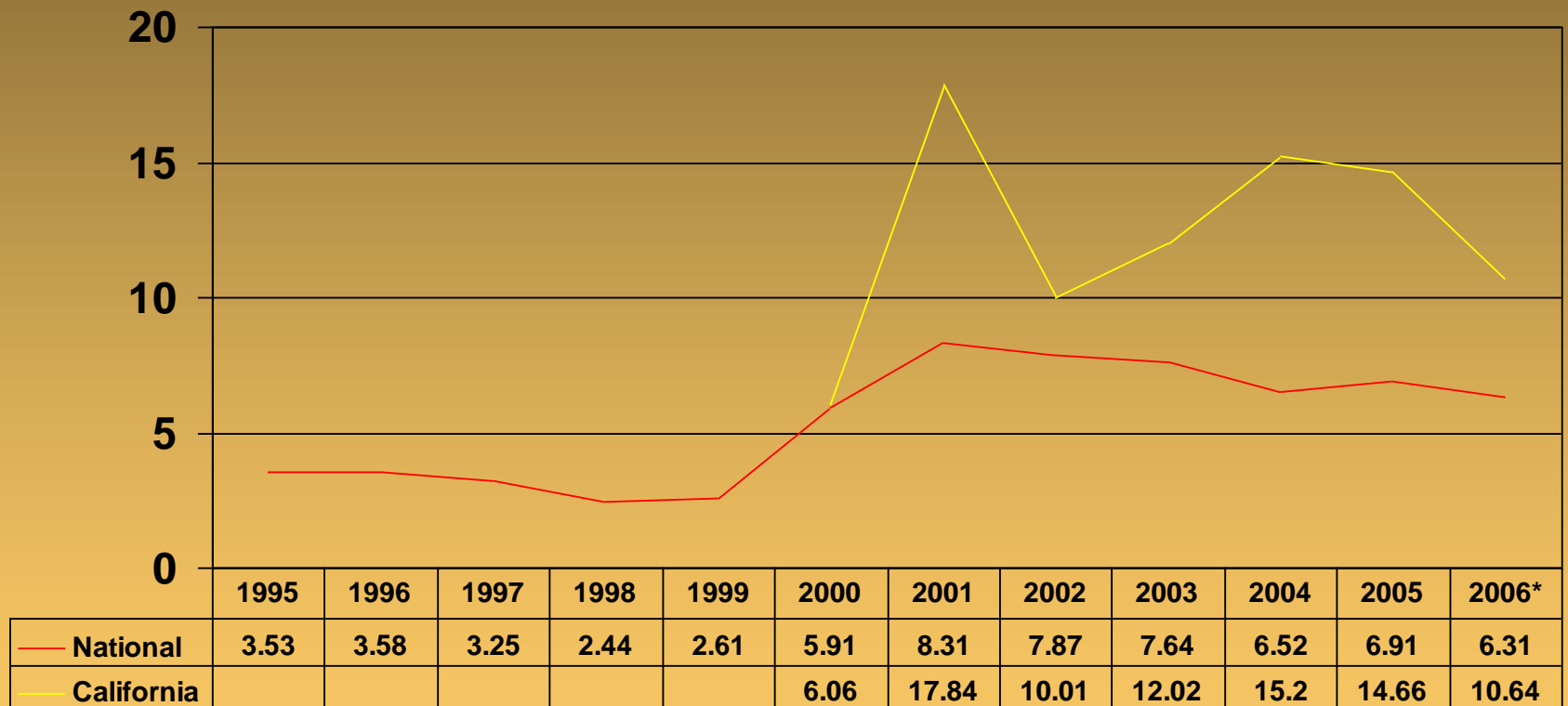
- The active error rate is calculated by dividing the amount of error dollars for the cases completed by the total benefits paid for all of the cases completed for review.
- The negative error rate is calculated by dividing the number of invalid cases by the total of cases that were pulled for review.

ACTIVE ERROR RATES LOWEST EVER (National)

Percent of Issuance



Negative Error Rate FFY 1995 - 2006



* Un-Weighted

FOOD STAMP BRANCH																			
FOOD STAMPS STATE AND FEDERAL SAMPLE																			
MONTHLY CUMULATIVE DOLLAR PAYMENT ERROR RATES																			
FEDERAL FISCAL YEARS 2001 through 2007																			
	2001	2002	2003	2004	2005	2006							2007						
	Sep-01	Sep-02	Sep-03	Sep-04	Sep-05	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	
	(b)	(b)	(b)	(b)	(b)							(b)							
ALAMEDA	7.45	6.60	6.19	4.97	6.34	6.71	7.27	6.41	5.77	5.27	5.23	5.17	5.28	2.44	2.35	1.74	1.38	1.47	
CONTRA COSTA	13.99	10.56	4.62	1.73	1.40	1.23	1.34	1.28	1.92	1.70	1.56	1.55	1.58	1.21	2.59	1.85	1.77	1.64	
FRESNO	11.89	7.68	4.14	0.99	2.55	0.89	1.46	1.81	1.73	1.76	1.68	1.63	2.02	2.71	2.76	3.16	3.00	2.71	
KERN	9.55	6.75	8.49	5.11	3.96	6.37	7.06	6.55	6.00	5.69	5.79	5.66	3.41	3.83	3.49	4.93	6.08	5.59	
LOS ANGELES	22.92	18.75	7.70	7.91	6.27	7.35	7.80	7.40	7.59	7.30	7.09	6.84	0.45	0.22	0.96	1.42	1.50	2.32	
MERCED	7.56	8.70	4.64	4.20	2.21	2.68	2.39	2.26	2.14	2.14	2.08	2.02	0.96	0.50	0.48	0.58	0.88	1.78	
MONTEREY	9.73	8.17	3.89	4.81	3.80	2.86	2.44	2.13	2.58	3.61	3.39	3.07	1.61	3.37	2.68	1.98	1.92	2.11	
ORANGE	7.99	12.54	7.08	2.24	2.04	2.87	4.03	3.91	5.13	4.77	4.51	4.39	9.06	7.11	6.75	6.11	5.11	5.48	
RIVERSIDE	10.52	7.30	7.34	3.01	6.13	2.17	2.44	2.73	2.53	2.64	2.60	2.54	2.12	1.71	5.11	4.89	4.16	4.17	
SACRAMENTO	10.48	9.87	5.18	3.39	4.29	4.62	4.20	4.02	3.86	3.72	3.66	3.45	0.40	2.97	4.25	3.27	2.70	2.29	
SAN BERNARDINO	14.50	9.95	3.22	2.17	2.50	3.77	3.46	3.55	3.94	3.70	4.07	3.84	1.68	0.88	0.91	2.03	2.45	2.40	
SAN DIEGO	10.31	9.60	7.24	6.48	5.95	5.03	4.43	4.12	4.01	4.47	5.13	5.65	0.00	4.38	8.19	7.36	7.94	7.27	
SAN FRANCISCO	7.27	7.19	5.83	4.72	2.99	3.64	3.74	3.38	3.60	3.52	3.57	3.43	8.56	3.06	2.87	2.33	1.99	1.59	
SAN JOAQUIN	11.36	11.70	6.08	4.35	3.89	2.45	3.05	2.93	3.29	3.14	2.94	2.67	2.53	2.04	2.47	1.93	2.40	2.58	
SANTA CLARA	12.84	7.81	4.94	3.14	3.76	3.87	4.09	3.76	3.73	3.70	3.51	3.61	3.22	1.69	1.73	3.26	2.82	2.26	
SOLANO	9.23	7.38	5.99	4.15	4.93	5.72	7.68	8.18	7.93	7.86	7.16	5.15	6.87	5.26	4.27	3.29	2.80	2.42	
STANISLAUS	4.76	5.57	3.39	3.90	3.67	2.53	3.73	3.31	2.94	2.70	3.02	2.85	3.66	1.96	1.76	1.79	2.69	3.62	
TULARE	8.90	12.89	4.82	3.41	2.29	3.33	4.35	4.14	3.77	3.74	3.61	4.01	2.17	4.40	3.98	4.36	3.98	3.52	
VENTURA	4.70	4.54	7.32	3.60	1.05	0.21	0.78	1.03	1.01	0.92	1.03	1.06	0.42	0.62	0.66	0.49	0.39	2.39	
REST OF STATE	13.14	11.20	8.19	6.68	4.18	4.95	3.27	3.98	4.18	4.61	3.85	4.95	0.00	15.01	10.21	12.04	12.26	11.52	
Expanded Sample (a)	16.65	14.31	7.05	5.73	5.99	5.00	5.08	4.97	5.07	4.99	4.84	6.29	1.81	3.12	3.34	3.76	3.77	3.90	
Federal Sample	17.37	14.84	7.96	6.32	6.38	6.42	6.31	6.04	6.29	6.29	6.24	6.98	3.79	4.23	5.08	5.28	4.92	4.77	
National Average	8.66	8.26	6.63	5.88	5.84							5.99						5.36	

What Is A Sanction

- When the state's error rate is above the national average the state will be sanctioned by USDA FNS.
- Because of its historic low error rates the state was able to avoid a sanction and USDA waived the at risk amount of \$12.5 million in its settlement agreement.
- If the state is in a sanction mode the penalty will be shared by the county.

Reviewing The Case Record

- The QC reviewer must review the certification file (case record) to determine what action was taken on the case by the Eligibility Worker.
- Reviewers should be able to ascertain how the EW determined household eligibility and the benefit amount for the review month from documentation contained in the case record as of the review date.

Conducting a Field Review

- The purpose of a field review/home visit is to obtain all relevant information about the household's actual circumstances which relate to the household's eligibility and benefit level for the sample month's issuance and to verify and document the information.
- A field review must be conducted.

Conducting a Field Review

- The reviewer determines the location of the face-to-face interview in most cases. For most reviews the interview may take place at;
- The household's home;
- The appropriate certification office; or
- A location that is mutually agreeable to both reviewer and household.

Conducting a Field Review

For QC purposes, collateral contacts (landlords, employers, banks, etc.) is a source of information which can be used to verify the household's circumstances.

Collateral contacts are needed when verification is not present in the case record or from the household.

Conducting a Field Review

- If a household refuses to cooperate after being noticed of a QC review, the reviewer shall report the household's refusal to the certification section for termination of benefits.

Verification and Documentation

The QC reviewer must verify from information in the certification record or collateral contacts:

- Eligibility for the point in time dictated by the eligibility rules governing the household's sample month participation, and**
- Benefit calculation for the household's budget month.**

Verification and Documentation

The FNS Handbook 310 lists 50 “Elements of Eligibility and Payment Determination” These elements are categorized by

Non-Financial Eligibility Criteria – such as Age, Student Status, Citizenship Status, Work Requirements SSN’s, etc.

Resources – Bank Accounts, Real Property, etc.

Income – Earned and Unearned

Deductions – Shelter, Medical, etc.

- The QC reviewer shall obtain sufficient evidence to establish the factual information for each element under review.

Verification and Documentation

- It is essential, necessary, and important that there be verification and or documentation by the Eligibility Worker in the case record to establish his/her decision.

What is a Variance

- A variance means the incorrect application of policy and/or a deviation between the information that was used and the information that should have been used to authorize the sample month's issuance.

What is an Error

- Error for active cases results when a determination is made by a quality control reviewer that a household which received food stamp benefits during the sample month is ineligible or received an incorrect amount of benefits.
- Thus, errors in active cases involve dollar loss to either the participant or the county.
- For negative cases, an error means that the reviewer determines that the decision to deny, suspend or terminate a household was incorrect.

Error Determination Process

- The purpose of the error determination process is to establish whether each active case is eligible, eligible with an over-issuance or under-issuance or ineligible for the sample month.
- There is an error in the case if the household is ineligible.
- There is also an error in the case if the household is over-issued or under-issued more than \$25.
- There are two parts to the error determination process, the eligibility test and the allotment test.

Error Determination Process

- **Eligibility Test**

The first thing the reviewer does is determine whether the household was eligible to receive the sample month issuance. The reviewer must use the procedures in the FNS Handbook 310 to verify the household's circumstances and to determine whether any variances found during the review are to be include or excluded.

If the household is ineligible, then the process is complete.

If the household is eligible, then the review must continue with the allotment test

Error Determination Process

- **Allotment Test**

The allotment test process consist of two comparisons.

Comparison I

This is a comparison of an allotment computed based on actual, verified circumstances to the authorized allotment.

Comparison II

This is a comparison of an allotment based on the verified circumstances excluding appropriate variances to the authorized allotment.

Step I

THE ELIGIBILITY TEST

Determine whether the household was eligible to receive the sample month issuance using the procedures in Chapters 5 and 7 through 11 to verify household circumstances and decide if variances are included or excluded.

Was the household eligible?



YES

Go to Step II

The Allotment Tests

NO



Review is Over!

Dispose of the case as ineligible!

Step II

THE ALLOTMENT TEST - Comparison I

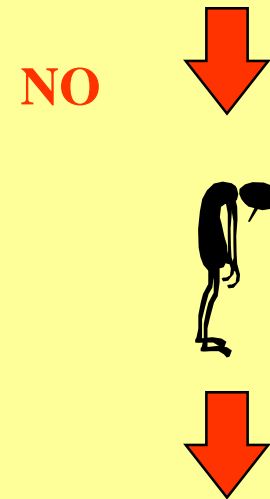
Using actual, verified, income and deductions for the budget month, compute an allotment.

Is the computed allotment within \$25 of the authorized allotment?



Review is Over!

Dispose of the case as Correct!



Go to Step III

Step III

THE ALLOTMENT TEST - Comparison II

Compute an allotment in accordance with the detailed review procedures in Chapters 7 thru 11.

Is the computed allotment within \$25 of the authorized allotment?



YES

Review is Over!

Dispose of the case as Correct!

NO



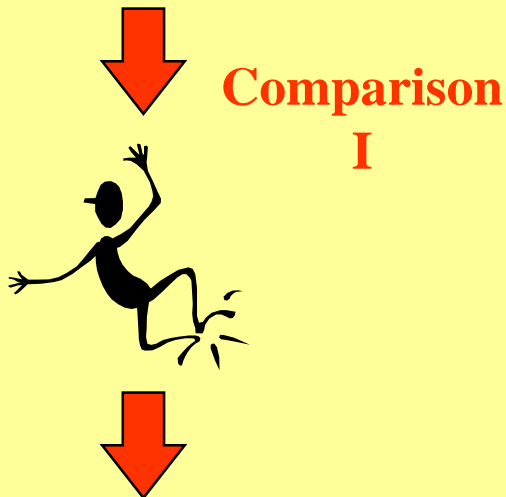
Dispose of case as Incorrect!

Go to Step IV

Step IV

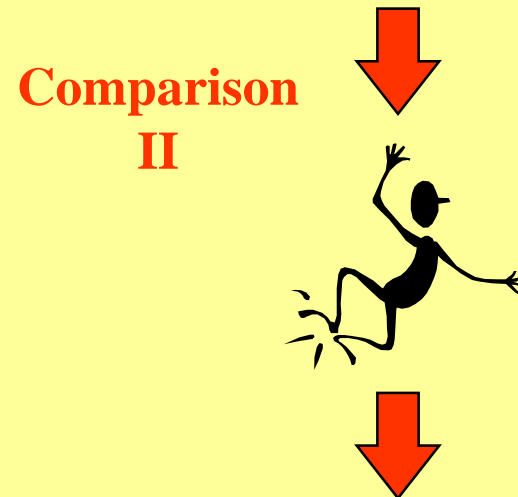
THE ALLOTMENT TEST - Final Error Amount

Which Allotment Test produced the smaller error amount figure?



Review is Over!

Record Comp I figure as Error Amount!




Review is Over!

Record Comp II figure as Error Amount!

What Does an Error Mean?

- Each case reviewed represents 50K to 100K cases.
- Errors are calculated using a regression formula.
- A \$27 over-issue can equate to \$100,000.

Negative Case Review

- Negative Case Reviews are conducted by CDSS QC staff.
- The QC reviewer examines the case record to determine if the reason for the negative action  correct.
- If the reason was correct, then the review is completed (A Valid Case)
- If the reason is not correct, then the QC reviewer determines if there is another valid reason for the negative action.

Negative Case Review

- If the second reason is a valid one, then the case is correct based on an **Expanded Review**. 😄
- If the reviewer cannot find a valid reason for the negative action, then the case is **Invalid**. 😭

The reviewer should prepare an explanation of the reason for disagreement to be sent to the county.

Negative Case Reviews

- If the reason for the negative action is not documented in the case record the case is **Invalid**.



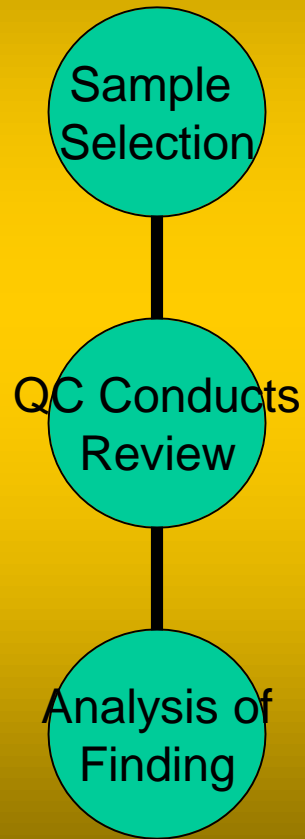
- If the case record cannot be found the case should be found to be **Incomplete**.



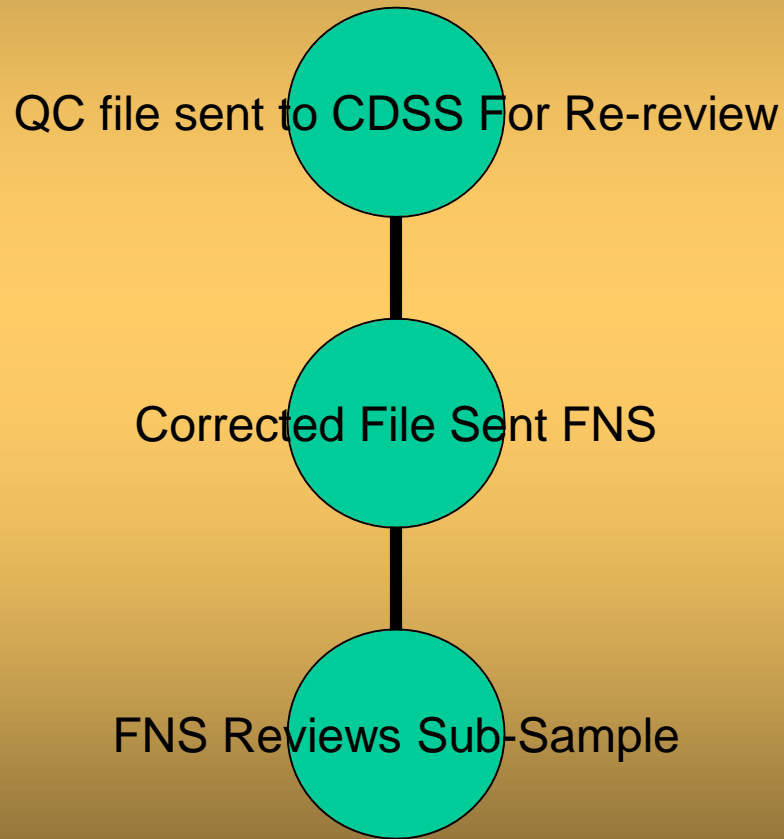
The QC PROCESS

From Sample Selection to Final
Decision on Cases filed for
Arbitration

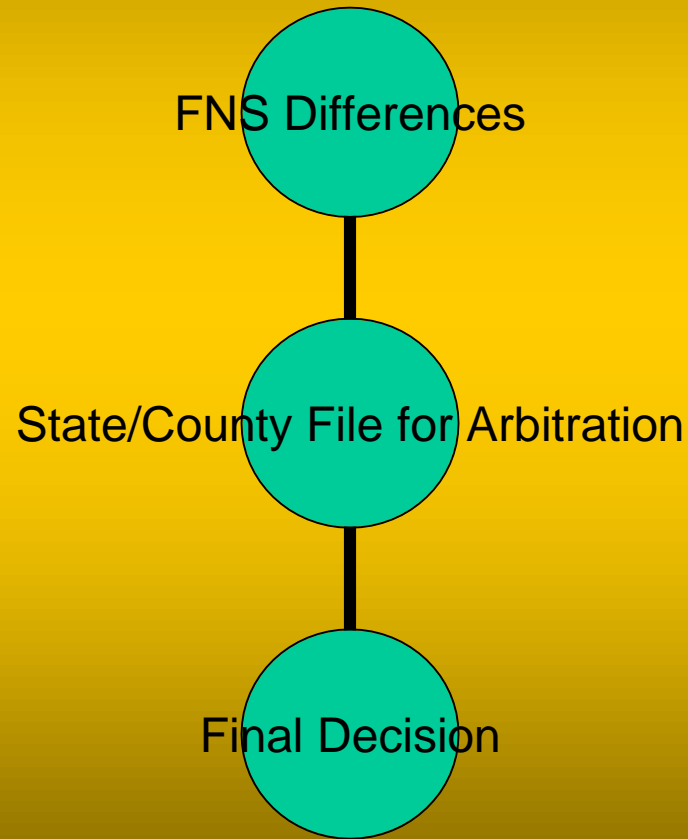
Process



Process



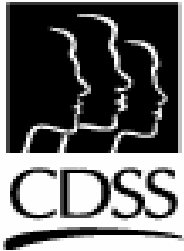
Process



The Most Important Key to Lowering the Negative Error Rate

- FNS
- USDA
- QC
- QA
- CDSS
- EW
- COUNTY





QUESTIONS?

